

New proposed Affordable Care Act regulations announced today by the U.S. Department of Health and Human Services (HHS) will bring new transparency and scrutiny to proposed health insurance rate increases. These proposed rules allow HHS to work with States to require insurers to publicly disclose and justify unreasonable rate increases.

Health insurance premiums have risen rapidly over the past decade, straining pocketbooks for American families and businesses. Since 1999, average premiums for family coverage have risen 131 percent.

The Affordable Care Act has already begun to help States strengthen or create rate review processes. On August 16, HHS awarded \$46 million to 45 States and the District of Columbia to help them improve their oversight of proposed health insurance rate increases. This is part of \$250 million that the health reform law makes available to States to take action against insurers seeking unreasonable rate hikes.

Today's proposed regulations will build on these efforts by requiring insurers in all States to publicly justify any unreasonable rate increases beginning in 2011. In 2011, proposed rate increases of 10 percent or higher will be publicly disclosed and thoroughly reviewed to determine if the rate increase is unreasonable. After 2011, State-specific thresholds would be set using data and trends that better reflect cost trends particular to each State. Insurance company's justifications for unreasonable increases will be posted on HealthCare.gov and the insurance plan's website.

Under the proposed regulation, States with effective rate review systems would conduct the reviews. If a State lacks the resources or authority to do thorough actuarial reviews, HHS would conduct them. Meanwhile, HHS will continue to make resources available to States to strengthen their rate review processes.

In 2014, the Affordable Care Act empowers States to exclude health plans that show a pattern of excessive or unjustified premium increases from the new health insurance exchanges.

For more information on the regulation, go to the following fact sheet: <http://www.healthcare.gov>

ov/news/factsheets/ratereview.html

For links to the regulation and other premium review information, go to: www.hhs.gov/ociio/initiative/index.html